

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Uganda

Coffee Annual

Uganda Coffee Annual Report

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Report Highlights:

FAS/Nairobi projects Uganda coffee production to increase to 3.2 million 60-kilogram bags in Marketing Year (MY) 2012 (October 2011 to September 2012) in line with the general trend of increased yields resulting from the coffee production campaign now in its final year. However, a number of challenges that include unpredictable weather, pests and diseases, and declining soil fertility may limit the industry's ability to achieve the government of Uganda's coffee production target of 4.5 million 60-kilogram bags by 2015.

Commodities:

Coffee, Green

Production:

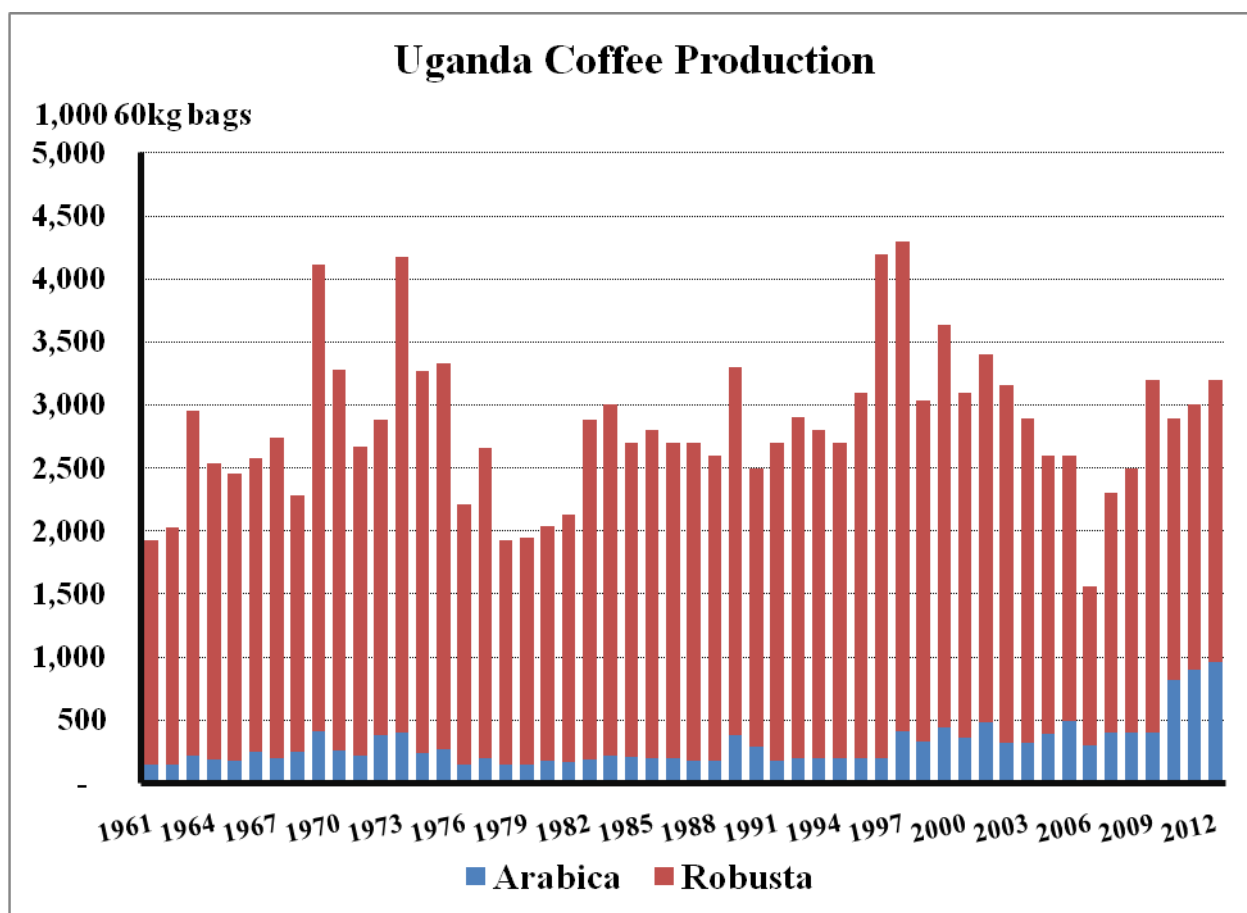
MY 2012: According to the Uganda Coffee Development Authority (UCDA), production is expected to increase slightly because farmers have renewed interest in coffee farming due to strong coffee prices and the re-invigoration of the industry resulting from the coffee production campaign. As a result of both, agronomic practices have improved and yields have increased. Notably, Arabica coffee production continues to increase at a higher rate than Robusta coffee due to premium prices for Arabica in the world market.

MY 2011: Production recovered slightly from the disease-affected crops of the previous year.

MY 2010: Robusta production dropped (12.6 %) in the main producing areas due to prolonged drought that negatively affected coffee bean development. In addition, coffee wilt disease attacked Robusta coffee while coffee leaf rust disease attacked the Arabica variety.

The government of Uganda has set a coffee production target of 4.5 million 60-kilogram bags by 2015. There are a number of challenges that may limit Uganda's ability to achieve the target including unpredictable weather, pests and diseases, and declining soil fertility. In addition, coffee tree replacement has not occurred at projected levels.

The graph below summarizes Robusta and Arabica coffee production over the years.



Data Sources: 1961-2009 –USDA

2010 – UCDA

2011, 2012 – FAS Nairobi Estimates

Consumption:

Local coffee consumption remains low but there is potential for growth evidenced by new coffee retail outlets opening in urban centers, and a coffee drinking lifestyle among the young urbanites.

Trade:

Of the 2.67 million 60 kilo bags of coffee exported in MY2010, Robusta coffee constituted 73 percent; Arabica coffee comprised the remainder.

European Union (EU) countries were the main destinations of Ugandan coffee, accounting for 73 percent of the total exports followed by Sudan at 19 percent.

Coffee Exports by Destination in 2009/2010 Marketing Year in 60 kilogram bags

Coffee Year	2009/2010		
Destination	Robusta	Arabica	Total
European Union Member Countries	1,319,498	619,737	1,939,235
Sudan	494,277	5,478	499,755
Switzerland	83,509	15,117	98,626
United States	23,820	55,665	79,485
Israel	17,576	5,074	22,650
Singapore	5,310	300	5,610
Canada	520	4,930	5,450
Russia	5,186	-	5,186
Morocco	3,974	640	4,614
Australia	1,260	3,220	4,480
Japan	1,800	1,090	2,890
Egypt	670	-	670
Kenya	-	320	320
Grand Total	1,957,400	711,571	2,668,971

Data Source: UCDA

Stocks:

Coffee processors, wholesalers, and retailers hold most of the stocks.

Policy:

In its final year of operation, the Coffee Production Campaign, which began in 2006, has accomplished the following:

- Uganda's Coffee Research Institute has developed seven Robusta coffee varieties resistant to coffee wilt disease. The new varieties are being multiplied for onward distribution to farmers.
- The government of Uganda has improved extension services (pruning, stumping, mulching, etc.) to coffee farmers.
- Coffee farmers have organized themselves into 125 groups comprised of at least 50 farmers to pool their coffee together for marketing purposes, and to get easy access to agro-inputs through the Uganda National Agro-inputs Dealers Association.

As a result of a combination of all the above factors, yields per tree have improved from 0.5 kilos to 1.2 kilos. In addition, UCDA with the help of the U.S. Coffee Quality Institute (CQI) can now sell its Arabica coffee into specialty markets after the establishment of the "Q" rating system, a standardized rating of Arabica coffee developed by CQI. The system was introduced in Uganda in 2009.

In addition, Uganda's Robusta coffee has started appearing in Specialty Markets after CQI's "R" grading. The coffee was exhibited at the East African Fine Coffees Association Conference in Arusha, Tanzania in February, 2011 and at the Specialty Coffee Association of America (SCAA) Conference in the United States in April, 2011.

Production, Supply and Demand Data Statistics:

Coffee, Green Uganda	2009/2010	2010/2011	2011/2012
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	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	248	0	260		260
Area Harvested	0	0	0	0		0
Bearing Trees	0	0	0	0		0
Non-Bearing Trees	0	0	0	0		0
Total Tree Population	0	0	0	0		0
Beginning Stocks	43	43	43	111		146
Arabica Production	400	817	400	900		960
Robusta Production	2,400	2,077	2,800	2,100		2,240
Other Production	0	0	0	0		0
Total Production	2,800	2,894	3,200	3,000		3,200
Bean Imports	0	0	0	0		0
Roast & Ground Imports	0	0	0	0		0
Soluble Imports	0	0	0	0		0
Total Imports	0	0	0	0		0
Total Supply	2,843	2,937	3,243	3,111		3,346
Bean Exports	2,350	2,671	2,800	2,800		3,000
Rst-Grnd Exp.	0	0	0	0		0
Soluble Exports	0	0	0	0		0
Total Exports	2,350	2,671	2,800	2,800		3,000
Rst,Ground Dom. Consum	450	145	425	150		155
Soluble Dom. Cons.	0	10	0	15		20
Domestic Use	450	155	425	165		175
Ending Stocks	43	111	18	146		171
Total Distribution	2,843	2,937	3,243	3,111		3,346

1000 HA, MILLION TREES, 1000 60 KG BAGS